

Allerdale Borough Council

Audit Committee – 26 November 2019

The Reason for the Decision	To present the draft Counter Fraud Bribery and Corruption Framework, Fraud Response Plan, Anti-Money Laundering Policy and Whistleblowing Policy.
Summary of options considered	To obtain agreement of the Counter Fraud Bribery and Corruption Framework, Fraud Response Plan, Anti-Money Laundering Policy and Whistleblowing Policy.
Recommendations	To consider and provide feedback on the Counter Fraud Bribery and Corruption Framework, Fraud Response Plan, Anti-Money Laundering Policy and Whistleblowing Policy.
Financial / Resource Implications	No additional resource required to deliver this.
Legal / Governance Implications	These policies have been completed in line with the statutory requirements and professional guidance recommendations.
Community Safety Implications	None directly.
Health and Safety and Risk Management Implications	None directly.
Equality Duty considered / Impact Assessment completed	An Equality Impact Assessment has not been completed as the report concerns internal administrative procedures.
Wards Affected	None directly.
The contribution this decision would make to the Council's priorities	This will contribute to the achievement of all council plan priority areas.
Is this a Key Decision	No
Portfolio Holder	Cllr John Cook
Lead Officer	Paula McKenzie Assurance Risk and Audit Officer (01900) 702987 paula.mckenzie@allerdale.gov.uk

Report Implications (Please delete where applicable)

Community Safety	N	Employment (external to the Council)	N
Financial	N	Employment (internal)	N
Legal	N	Partnership	N
Social Inclusion	N	Asset Management	N
Equality Duty	N	Health and Safety	N

1.0 Introduction

1.1 The Counter Corruption Framework and Whistleblowing Policy were last reviewed in 2015, these have been reviewed and the revised policies are presented to the Audit Committee for consideration. The Counter Fraud Bribery and Corruption Framework (Appendix 1), Fraud Response Plan (Appendix 2), Anti-Money Laundering Policy (Appendix 3) and Whistleblowing Policy (Appendix 4) were drafted by Assurance Risk and Audit and based on best practice and experience.

2.0 The Policies

2.2 The previous 2015 Counter Corruption Framework has been separated into three documents:

- Counter Fraud Bribery and Corruption Framework (Appendix 1)
- Fraud Response Plan (Appendix 2)
- Anti-Money Laundering Policy (Appendix3)

The Framework is made up of five key areas, a summary of key points is noted below:

- **Culture** – the Council is committed to carrying out business fairly, honestly and openly and has a zero tolerance to all forms of fraud including, without limitation, bribery, corruption and money laundering.
- **Prevention** – the Council’s approach is geared around fraud prevention. Operational managers and staff are best placed to prevent fraud through risk management controls applied to day to day business activities.
- **Deterrence** - the Council will always seek to recover losses and will use both civil and criminal litigation as necessary. It is vital to demonstrate that crime does not pay.
- **Detection and Investigation** – the Council encourages officers, Members, the public etc. to refer any concerns and will investigate them through the Internal Audit function; and

- **Awareness and training** – the Council will continue to raise awareness of fraud matters through policies, training and other channels.

The ultimate measure of effectiveness is that the Council suffers no losses through fraud. Performance is reported through the Annual Fraud Report to the Council's Audit Committee.

3.0 Finance/Resource Implications

- 3.1 No additional resource is required to deliver this however the financial implications of failing to protect the Council could be substantial. The Council's strategy for tackling fraud provides an assurance that public funds are being protected from abuse.

4.0 Legal Implications and Risks

- 4.1 The Council has an on-going obligation to detect and investigate localised fraud and to prevent reoccurrence by risk management and the continuance of good governance including best practice and by following evolving anti-fraud initiatives.

5.0 Consultation

- 5.1 The Fraud policies were reviewed by Legal and all policies were reviewed by the Head of Governance and the Strategic Management Team and made no recommendations for amendment.

6.0 Conclusion and summary of reasons for the recommendation.

- 6.1 Although the Council will make vigorous efforts to protect itself; fraud is recognised as a growing area of concern and the Council is not immune to these increased levels of risks. Therefore a vigilant approach is required at all times. The Counter Fraud Bribery and Corruption Framework provides a clear framework for the Council to investigate suspected fraud thoroughly, to prosecute wherever the evidence supports such action and seek recovery of defrauded monies through all possible legal means.

7.0 Recommendations

- 7.1 To consider and provide feedback on;
- The Counter Fraud Bribery and Corruption Framework, Fraud Response Plan, Anti-Money Laundering Policy and Whistleblowing Policy.

Paula McKenzie
Assurance Risk and Audit Officer